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Commissioner

State of Georgia
Department of Revenue
Legal Affairs & Tax Policy
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Frank M. O'Connell
Director

NOTICE SUT 2015-003

RE: Adoption of Rule 560-12-2-.20 "Competitive Projects of Regional Significance."

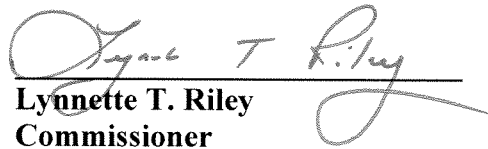
TO ALL INTERESTED PERSONS AND PARTIES:

In compliance with O.C.G.A. § 50-13-4, the Georgia Department of Revenue gives notice that it proposes to adopt Rule 560-12-2-.20 "Competitive Projects of Regional Significance."

The Department of Revenue will consider the adoption of Rule 560-12-2-.20 "Competitive Projects of Regional Significance" at 10:00 a.m. on September 16, 2015 in Suite 15210 of the Department's headquarters at the below address.

The Department must receive all comments regarding the adoption of the above-referenced rule from interested persons and parties no later than 10:00 a.m. on September 16, 2015. Written comments must be sent to: Commissioner, Georgia Department of Revenue, 1800 Century Blvd. N.E., Suite 15300, Atlanta, GA 30345-3205. Electronic comments must be sent to regcomments@dor.ga.gov. Facsimile comments must be sent to (404) 417-2293. Please reference "Notice Number SUT 2015-003" on all comments.

Dated: August 13, 2015.


Lynnette T. Riley
Commissioner
Georgia Department of Revenue

SYNOPSIS

GEORGIA DEPARTMENT OF REVENUE SALES AND USE TAX DIVISION

CHAPTER 560-12-2 SUBSTANTIVE RULES AND REGULATIONS

560-12-2-.20 Competitive Projects of Regional Significance.

The Georgia Department of Revenue proposes to adopt Rule 560-12-2-.20 “Competitive Projects of Regional Significance” to address the sales and use tax exemption for sales of tangible personal property used for and in the construction of a competitive project of regional significance.

Paragraph (1) provides the purpose of the Rule.

Paragraph (2) defines “competitive project of regional significance.”

Paragraph (3) sets forth the rules for qualifying for the exemption.

Paragraph (4) provides examples of property that does and does not qualify as “used exclusively for and in the construction of a Project.”

Paragraph (5) addresses letters of authorization.

Paragraph (6) addresses the expiration of letters of authorization.

Paragraph (7) establishes procedures for contractor purchases.

Paragraph (8) addresses contractors’ use tax liability.

31 only to repair a worker's personal vehicle or nails that remain in
32 the original store packaging;

33 2. Property used for administrative activities on the construction
34 site, such as sales promotion, general office work, credit and
35 collection, purchasing, and clerical work;

36 3. Power lines or transformers that bring electricity into the
37 construction site;

38 4. Property used for personal comfort or convenience at the
39 construction site, such as portable toilets, food, heaters, and air
40 conditioning units;

41 5. Hotel accommodations;

42 6. Motor vehicles; and

43 7. Property that is owned or possessed by a contractor or a
44 related party after completion of the Project's construction.

45 (b) Property used exclusively for and in the construction of a
46 Project includes only tangible personal property that:

47 1. remains tangible personal property at a Project's location after
48 the completion of construction;

49 2. is incorporated into the real property structures at a Project's
50 location; or

51 3. is used by contractors for the sole purpose of constructing a
52 Project's real property structures.

53 **(5) Letter of authorization.** Following notification from the
54 commissioner of economic development that a Project has been
55 certified, the Department of Revenue may issue a letter of
56 authorization to each location within the Project. Sellers are
57 required to collect sales tax unless they take in good faith a letter
58 of authorization.

59 **(6) Expiration of letters of authorization.** A letter of
60 authorization expires with respect to a location within a Project
61 when that location commences business operations.

62 **(7) Contractor purchases.** A Project may authorize contractors
63 to use the letter of authorization to make exempt purchases. By
64 January 31 of each year, a Project must provide to the Department
65 of Revenue a list of all contractors authorized in the previous
66 calendar year and include for each contractor the business name,
67 address, telephone number, and Georgia sales tax number.

68 **(8) Contractors' use tax liability.** Notwithstanding O.C.G.A. §
69 48-8-63(b) and (c), contractors will not incur use tax on tangible
70 personal property qualifying for exemption under this Rule that is
71 purchased by or furnished to the contractor, regardless of whether
72 the property retains the character of tangible personal property or
73 becomes incorporated into real property.

74 Authority: O.C.G.A. §§ 48-2-12, 48-8-2 and 48-8-3.